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Transportation Cabinet
Frankfort, Kentucky 40622

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TO: All Prequalified Contractors

FROM: Rick Stansel, Director 
Division of Contract Procurement

DATE: February 24, 2003

SUBJECT: Acceptance of a Surety

Effective with the letting of March 28, 2003, the Department will be utilizing the AM Best Company's Rating as the tool for the acceptance of a surety for a construction bond for projects let by the Transportation Cabinet.

In order for the Surety to be acceptable to the Department they must

- Have a minimum A.M. Best rating of A-
- Be listed on the U.S. Treasury Listing approved sureties for amount equal to or greater than the amount of the bond
- Be an admitted carrier in the Commonwealth of Kentucky

If the surety fails to meet these requirement at anytime during the contract,

- The contractor shall file a new bond in the amount established by the Commissioner, or his designee, within 14 calendar days.

The Department will now have the right to copy the surety on all of its communications with the Contractor concerning the Contractor's performance, or performance deficiencies, on the project and also has the right to communicate directly with the surety to inform them of the Contractor's performance, or performance deficiencies on the bonded project.



KENTUCKY TRANSPORTATION CABINET
"PROVIDE A SAFE, EFFICIENT, ENVIRONMENTALLY SOUND, AND FISCALLY RESPONSIBLE TRANSPORTATION SYSTEM
WHICH PROMOTES ECONOMIC GROWTH AND ENHANCES THE QUALITY OF LIFE IN KENTUCKY."
"AN EQUAL OPPORTUNITY EMPLOYER M/F/D"